

UNIVERSITY SPONSORSHIP AGREEMENT

THIS AGREEMENT (hereinafter referred to as the "Agreement") made as of this 1st day of October, 2008 (the "Effective Date") by and between **THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, ON BEHALF OF THE UNIVERSITY OF CALIFORNIA, RIVERSIDE**, with its principal place of business at 3401 Watkins Ave. Riverside, Ca 92507 (hereinafter referred to as the "University") and Bottling Group, LLC d/b/a The PBG Bottling Group, a Delaware limited liability corporation with its principal place of business at One Pepsi Way, Somers, New York 10589 and with an office at 6659 Sycamore Canyon Blvd. Riverside, Ca 92507 (hereinafter referred to as "PBG").

WHEREAS, PBG desires the right to be the exclusive supplier of beverages to the University; and

WHEREAS, PBG has submitted a bid in response to an invitation to bid issued by the University for the exclusive right to develop and carry out a program for the sale of its beverage products in all the schools of the University and in all other facilities owned or operated by the University; and

WHEREAS, PBG is experienced in installing, operating, servicing and maintaining equipment for dispensing beverage products and the University has determined that it is in the best interests of the University to contract with PBG to provide services for the sale of beverage products; and

WHEREAS, PBG wishes to identify itself with the University and the Teams (as defined below) and to have its products promoted and sold at the Facilities (as defined below) and further wishes to receive the other promotional benefits provided for by the University in this Agreement; and

NOW, THEREFORE, in consideration of the terms, covenants and conditions herein contained, and the other mutual promises set forth herein, the parties agree as follows:

AGREEMENT**I. DEFINITIONS.**

A. "Agreement Year" means each and every consecutive twelve (12) month period during the Term beginning with the Effective Date (October 1st, 2008)

B. "Approved Cups" means the disposable cups approved by PBG from time to time as its standard trademark cups and other containers approved by PBG from time to time and bearing the trademark(s) of PBG and/or other Products. In addition, PBG agrees that the University shall have the right to produce limited-run commemorative plastic cups reasonably acceptable to PBG for use at the Facilities and that such cups shall also be considered to be Approved Cups, provided that PBG's trademark(s) for PBG® shall be included on such commemorative cups. The use and size of PBG's trademark(s) on such commemorative cups shall be subject to the prior approval of PBG.

C. "Beverage" or "Beverages" means all carbonated and non-carbonated, non-alcoholic drinks, including but not limited to, (i) colas and other flavored carbonated drinks; (ii), fruit juice containing and fruit flavored drinks; (iii) chilled coffee drinks; (iv) chilled tea products; (v) hypertonic, isotonic and hypotonic drinks (sports drinks, energy and fluid replacements); and (vi) bottled or canned water whether carbonated or still (spring, mineral or purified).

D. "Facilities" means the entire premises of every school and facility owned, leased, occupied or operated by the University or its Food Service Provider, now or in the future, including all buildings, the grounds, parking lots, dining facilities, snack bars, food carts, athletic facilities and concession stands, and, for each building, the grounds, parking, lots, dining facilities, unbranded and branded food service outlets and vending areas. "Facilities" shall also be deemed to include: other convenience store operations and restaurants initiated after the Effective Date of this Agreement in space leased to third-party commercial tenants within University-owned buildings principally utilized for educational purposes, student activities or student residences.

E. "University Marks" means (i) the Designations (as defined below) and (ii) the University's characters, colors, emblems, designs, identifications, logos, mascots, name, service marks, symbols, trademarks, all trade names, uniforms and other proprietary designations which are owned, licensed to or controlled by the University and which relate to the Facilities and the Teams and which are in existence on the Effective Date or which will be created during the Term.

F. "Competitive Products" means any and all Beverages other than the Products.

G. "Designations" shall include, but not be limited to, the following: "A Proud Sponsor of the University of California, Riverside", "Official Soft Drink of the University of California, Riverside".

H. "Food Service Provider" shall mean any food service provider which may serve at the Facilities at any point during the Term.

I. "NCAA" or "The National Collegiate Athletic Association" shall mean the sanctioning body of intercollegiate sports.

J. "Products" means any and all Beverage products now or in the future bottled, sold or distributed by PBG.

K. "Sponsorship Fees" shall mean the fees to be paid by PBG to the University under this Agreement as set forth in Section VI.

L. "Supplies" shall mean any Approved Cups, straws and lids necessary for the dispensing of the "Designated Products" (as defined in Article II.A (1) below).

M. "Teams" shall mean all intercollegiate athletic teams associated with the University.

N. "Team Marks" means the characters, colors, emblems, designs, identifications, logos, mascots, name, service marks, symbols, trademarks, all trade names, uniforms and other proprietary designations which are owned, licensed to or controlled by the University and which relate to the University and which are in existence on the Effective Date or which will be created during the Term, but excluding any of such marks or other rights to the extent that such rights are controlled by the University.

O. "Term" means the TEN (10) year period beginning on the Effective Date and continuing up to and including September 30, 2018 unless sooner terminated as provided herein.

II. GRANT OF BEVERAGE AVAILABILITY AND MERCHANDISING RIGHTS.

During the Term, University hereby grants to PBG the following exclusive Beverage availability and exclusive Beverage merchandising right as set forth and described below:

A. Beverage Availability at the Facilities.

(1) Grant of Rights.

(a) Except as provided herein, PBG shall have the exclusive right to make Beverages available for sale and distribution on the Facilities, including the right to provide all Beverages sold at athletic contests (i.e., concession stands, sales in stands (hawking) or other means), booster club activities, and all other special events conducted at or any location on the Facilities ("Special Events")

100% Exclusivity for Fountain and Vending.

100% exclusivity for Retail (including Convenience Stores and Bookstores) except for limited exceptions as follows:

With regard to retail locations only, 10% of those shelf facings designated for energy products may be allocated to competitive energy products in package sizes of 16oz or smaller.

With regard to retail locations only, 10% of those shelf facings designated for new age products may be allocated to competitive new age products.

With regard to retail locations only, 10% of those shelf facings designated for wellness products may be allocated for competitive wellness products.

In no event may the beverage products manufactured, sold or distributed by The Coca Cola Company or a Coca Cola bottler now or in the future be sold, served or made available at UC Riverside Campuses.

Competitive brand exposure in retail locations is limited to the shelf facings described above. No marketing, point of sale, or promotional activity shall be conducted in connection with competitive products.

Milk based products and Naked Juice are approved based on an allocation of shelf space not to exceed 10% of the total amount of available beverage shelf space at retail locations.

(b) PBG shall have the exclusive right to install full service vending machines ("Vending Machines"), retail single-serve food service equipment ("Retail Equipment") and fountain service equipment ("Fountain Equipment") (Vending Machines, Retail Equipment and Fountain Equipment is collectively referred to as the "Equipment throughout" the Facilities at University agreed to locations. PBG shall have the further right to install additional Vending Machines, Retail Equipment and Fountain Equipment in buildings and facilities acquired and/or constructed by the University after the date of this Agreement at locations agreed to by the University. PBG shall install the Vending Machines, Retail Equipment and Fountain Equipment at its sole expense. PBG shall have the right to place full trademark panels on all sides of its Vending Machines, Retail Equipment and Fountain Equipment. PBG, or one of its affiliates, shall retain title to all Vending Machines, Retail Equipment and Fountain Equipment. The Products shall be the only Beverages sold, dispensed or served at the Facilities (i.e., at concession stands, sales in stands (hawking) or other means), and the Products shall be sold at all concession or vending locations located within the Facilities.

(2) Purchasing of Postmix Products.

The Postmix Products, which are produced and/or sold by PBG (the "Postmix Products") shall be purchased by University or the Food Service Provider from PBG at the prices established by PBG from time to time. Pricing firm through Agreement Year 3 of Agreement for Postmix Products is as set forth in Exhibit A attached hereto. Pricing increases after Agreement Year 3 will not exceed more than 5% (five percent) in any 12 month period. Notification of price increases shall be in writing to the University at least 60 days in advance and will include supporting documentation of demonstrable increases in materials and cost of goods.

(3) Purchasing of Packaged Products.

The Products produced and/or sold in bottles and/or cans by PBG (collectively, the "Packaged Products") shall be purchased by University or the Food Service from PBG at prices established by PBG from time to time. Pricing firm through Agreement Year 3 of Agreement for Packaged Products is as set forth in Exhibit A attached hereto. Pricing increases after Agreement Year 3 will not exceed more than 5% (five percent) in any 12 month period. Notification for price increases shall be in writing to the University at least 60 days in advance and will include supporting documentation of demonstrable increases in materials and cost of goods.

(4) Food Service.

During the Term, PBG shall work directly with, University through its Director of Food Services or University's alternate designee (the "University Representative") and the Food Service Provider for the Facilities, to provide all of its requirements for the Products. University shall cause its Food Service Provider to purchase the Product from PBG at prices as determined by PBG. The University shall cause its Food Service Provider to purchase Products from PBG in sufficient quantities to ensure the regular and continuous distribution of the Products at the Facilities. The University shall cause its Food Service Provider to purchase Approved Cups from PBG for dispensing of Postmix Products at the Facilities. PBG shall work directly with University and its Food Service Provider to promote sales of the Products through appropriate point-of-sale and other advertising materials bearing the trademarks of the Products at PBG's expense.

(5) Vending.

PBG shall have the right to place no less than Eighty-Eight (88) Vending Machines at the Facilities for dispensing the Products, provided, however that PBG shall work with University to identify optimal locations for such equipment. PBG shall not be assessed common area maintenance fees, taxes or other charges based on its occupation of the space allocated to Vending Machines.

The University shall purchase, and shall require that all concessionaires, food service vendors, and booster clubs selling Beverages on the Facilities purchase all Products, cups, lids and carbon dioxide directly from PBG.

B. Product Merchandising Rights. During the Term and subject to the terms and conditions contained in this Agreement, University grants PBG the exclusive right to merchandise Products at the Facilities as set forth and described below:

(1) Menu Board Advertising.

University agrees that PBG's trademarks for products shall be listed on the menu boards at concession locations in which Products are served to customers at the Facilities. All brand identification containing PBG trademarks and/or service marks for menu boards set forth herein will be prepared and installed by University if the University is able to do so at a reasonable cost.

III. GRANT OF ADVERTISING AND PROMOTIONAL RIGHTS.

During the Term, University hereby grants to PBG the right to advertise and promote Products in and with respect to the University, the Team and the University Marks upon the terms and conditions contained in this Agreement and as set forth and described below.

A. Advertising

(1) Facilities Advertising at courtside banner/panel at Home Men's and Women's Basketball games. A full panel on the outfield fence at Baseball Stadium.

(2) Print Advertising in home Men's and Women's Basketball game programs.

(3) Design and Installation of University Advertising.

PBG agrees, at its own cost, to provide University with the general design of all University Advertising. The University Advertising shall be constructed and installed by University (or an agent thereof) at University's sole cost and expense. All University Advertising shall be in conformity with the general scheme and plan of the University and the surrounding areas.

(4) Advertising/Signage Changes.

University recognizes PBG's right to change, modify and alter its advertising for, or identification of, any of the Products or to discontinue the manufacture of any of the Products. PBG shall reimburse University for all reasonable costs and expenses incurred by University in changing or modifying or altering any Facilities Advertising, menu boards and other PBG identification or references to any of the Products necessitated by PBG's changes to the advertising, trade marks or trade names, designations or identification thereof. PBG shall have the right to modify change or alter the promotional messages appearing thereon and all such modifications, changes and/or alterations shall be at PBG's sole cost and expense. University shall use reasonable efforts to minimize the cost to PBG for modifying, altering and/or changing PBG's advertising.

(5) Maintenance of Signage.

University shall maintain all Facility Advertising and other signs and advertising for Products in good order. University shall effect any necessary repairs reasonably determined by University at University's sole cost and expense. Where practical, University shall consult with PBG prior to incurring any material signage or other related maintenance expenses.

B. Promotional Rights.(1) General Sponsorship Designation.

University hereby agrees that PBG shall have the right to promote the fact that PBG is an official sponsor of the Team and the University and that the Products are available at the Facilities, including the right of PBG to refer to itself using the Designations. Such promotion may be conducted through the distribution channels of television, radio and print media, on the packaging of (including cups and vessels) and at the point-of-sale of any and all Products wherever they may be sold or served.

(2) Grant of License to Use the Team Marks and the University Marks for Promotional Activities.

University hereby grants to PBG a nonexclusive license to use the name of the Team, the Facilities, the Team Marks and the University Marks, for the limited purposes of promoting Products within the context of promotional activities. PBG acknowledges that, in order to make full use of the rights granted in this Agreement, PBG shall conduct the promotional activities through its primary distribution channels in which PBG sells Products to the ultimate consumer, such as at the retail level, within drug stores and other retail outlets, by and through mass merchandise campaigns and together with PBG's food service accounts and customers.

C. Representations, Warranties and Covenants regarding the Ownership and Protection of the Team Marks and the University Marks and Related Proprietary Rights.

University represents and warrants that it is the sole and exclusive owner of all right, title and interests in and to the Team Marks and the University Marks (including without limitation, all goodwill associated therewith) and PBG's use of the Team Marks and the University Marks pursuant to this Agreement will not infringe the rights of any third parties. PBG acknowledges that nothing contained in this Agreement shall provide PBG with any right, title or interest to the Team Marks or the University Marks other than the right to use such Team Marks and University Marks granted under this Agreement. PBG (on behalf of itself and its Affiliates) agrees that it shall not attack the title or any rights of University and its Affiliates and cooperate with University and its Affiliates to

procure any protection or to protect any of the rights of University and its Affiliates in and to the Team Marks and University Marks. PBG shall cause to appear on all materials incorporating the Team Marks and the University Marks such legends, markings and notices as University or its Affiliates may request in order to give appropriate notice of any trademarks, service mark, trade name, copyright or other right with respect to the Team Marks and the University Marks. PBG shall not make any alterations or changes to the design or type of the Team Marks and University Marks without the prior written consent of University.

D. Representations, Warranties and Covenants regarding the Ownership and Protection of Proprietary Rights of PBG.

PBG represents and warrants that PBG is authorized to use certain names, logos, service marks and trademarks of PBG, Inc. (including without limitation, all goodwill associated therewith) (the "PBG Marks") under a license from PBG, Inc. University acknowledges that nothing contained in this Agreement shall provide University with any right, title or interest to the names, logos, service marks and trademarks of PBG, Inc. without the prior written approval of PBG, Inc. University (on behalf of itself and its Affiliates) agrees that it shall not attack the title or any rights of PBG, Inc., PBG and its Affiliates and cooperate with PBG, Inc., PBG and its Affiliates to procure any protection or to protect any of the rights of PBG, Inc., PBG and its Affiliates in and to the PBG Marks. University shall cause to appear on all materials incorporating the PBG Marks such legends, markings and notices as PBG or its Affiliates may request in order to give appropriate notice of any trademarks, service mark, trade name, copyright or other right with respect to the PBG Marks. University shall not make any alterations or changes to the design or type of the PBG Marks without the prior written consent of PBG, Inc.

IV. GRANT OF OTHER RIGHTS.

A. Tickets and Hospitality.

Each Year during the Term University will provide PBG with:

- (1) FOUR (4) season tickets for Men's Basketball.
- (2) FOUR (4) season tickets for Men's Baseball.
- (3) Tickets for employees and customers (up to 200), for a featured big, high profile, home game in Men's basketball.
- (4) Tickets for employees and customers (up to 200), for a featured big, high profile, home game in Baseball.

B. Sampling.

University agrees to permit to conduct, at PBG's sole cost and expense, limited sampling of students at the Facilities in a form and manner as specifically authorized and approved by University and in accordance with rules and procedures established by University, in its sole discretion, as may be amended or supplemented from time to time by University.

V. EXCLUSIVITY.

A. During the Term, University, the Team and its players, coaches and staff (i) shall not themselves nor shall they permit a third party to, sell, serve, promote, market, advertise, sponsor or endorse Competitive Products at the Facilities or in connection with the University, the Team, the Team Marks or any of its players, coaches and staff and (ii) shall ensure that the Products are the only Beverages sold, served, promoted, marketed, advertised, merchandised, sponsored or endorsed, at the Facilities or in connection with the University, the Team, the Team Marks or any of its players, coaches and staff.

B. University recognizes that PBG has paid valuable consideration to ensure an exclusive associational relationship with the Facilities, University, University Marks, Team Marks, and/or the Team with respect to Beverages and that any dilution or diminution of such exclusivity seriously impairs PBG's valuable rights. Accordingly, the University will promptly oppose Ambush Marketing (as defined below) and take all reasonable steps to stop Ambush Marketing and to protect the exclusive associational rights granted to PBG pursuant to this Agreement. In the event any such Ambush Marketing occurs during the Term, each party will notify the other party of such activity immediately upon learning thereof. As used herein, "Ambush Marketing" shall mean an attempt by any third party, without PBG's consent, to associate Competitive Products with the Facilities, University, University Marks, Team Marks, and/or the Team, or to suggest that Competitive Products are endorsed by or associated with the Facilities, University, University Marks, Team Marks, and/or the Team by referring directly or indirectly to the Facilities, University, University Marks, Team Marks, and/or the Team.

VI. CONSIDERATION.

In consideration for the advertising, merchandising, promotional rights, and the other related rights and benefits provided to PBG by University as described herein, PBG agrees to pay to University:

A. An annual sponsorship fee, payable as follows ("Annual Sponsorship Fee").

Agreement Year	Applicable Time Period	Amount	Due Date: within 30 days after:
1	October 1, 2008 - September 30, 2009	250,000.00	The execution of this Agreement by both parties.
2	October 1, 2009 - September 30, 2010	250,000.00	November 1, 2009
3	October 1, 2010 - September 30, 2011	250,000.00	November 1, 2010
4	October 1, 2011 - September 30, 2012	250,000.00	November 1, 2011
5	October 1, 2012 - September 30, 2013	250,000.00	November 1, 2012
6	October 1, 2013 - September 30, 2014	250,000.00	November 1, 2013
7	October 1, 2014 - September 30, 2015	250,000.00	November 1, 2014
8	October 1, 2015 - September 30, 2016	250,000.00	November 1, 2015
9	October 1, 2016 - September 30, 2017	250,000.00	November 1, 2016
10	October 1, 2017 - September 30, 2018	250,000.00	November 1, 2017

B. Commission, as a percentage of the actual cash ("cash in bag" or "CIB") collected by PBG from the Vending Machines placed at the Facilities, less any applicable fees or deposits ("Commissions"). Such Commissions shall be at the rate(s) set forth below (the "Commission Rate") and shall be calculated as follows:

(CIB * Commission Rate) – applicable CRV = Commissions due

Product	Minimum Vend Price	Commission Rate*
CSD/Water/Trop/Lipton Brisk	\$1.25 ***	33%
Glass Front Venders	\$1.83 avg	33%
Gatorade	\$1.50	33%

*Commission Rate stated above shall only apply to Products sold by PBG through its Vending Machines at the beginning of the Term. If PBG proposes any new products to the Customer during the Term, then PBG shall have the right to apply a different Commission Rate and/or Minimum Vend Price for such new product.

*** Year 1 only; thereafter vend rate pricing shall be pursuant to the attached Exhibit B.

(1) Commission Payment. Commissions shall be remitted by PBG to the Customer within 30 days of the end of each 4-week accounting period established by PBG. PBG shall make all pertinent revenue and sales records respecting the Vending Machines available to Customer. Customer agrees that it is responsible for reviewing such records and that any claim or dispute relating to the Commissions must be brought by Customer in writing within one year of the date such Commissions payment is due.

(2) Change to Commission Rate. Customer acknowledges and agrees that PBG established the Commission Rate based on any applicable sales tax associated with the sale of the Products through the Vending Machines as of the commencement date of this Agreement. If, during the Term, sales taxes should increase by more than five percent (5%) **based on 8.75% commencing October 1, 2008**, then PBG shall have the right to automatically reduce the Commission Rate by the same percentage amount.

VII. ADDITIONAL CONSIDERATION.

In addition to the consideration specified in Section VI above, PBG shall provide the following further consideration to the University: *who?*

A. PBG will provide annual Product donations of up to a total of **500 cases of 12oz soft Drinks or 16.9oz Aquafina Water and 10 cases of 12oz cups (Athletics)** per Agreement Year across the Facilities upon request of the University, provided however, that the University will administer all requests through a central contact so that the University may prioritize the requests.

B. Each Year throughout the Term, PBG shall provide the University with **Marketing Funds** to support the UC Riverside Student Athletic Program in the amount of Twenty-One Thousand Dollars (\$21,000) (not to exceed 10 payments) These Marketing Funds are to be distributed by the Athletic Department at their discretion.

C. Each Year throughout the Term, PBG will provide the University with **Marketing Promotional Programs** to support Student Services in the amount of Eight Thousand Dollars (\$8,000) (not to exceed 10 payments) These programs will be coordinated by University and the PBG Account Manager with campus events.

D. **University Rebate Incentive:** PBG will accrue annually a rebate of **\$1.00 per case (24PK)** on all cases of Product purchased by University for sale at all retail outlets at the Facilities. This rebate incentive will be paid to the University within forty-five (45) days after the end of every Agreement year.

E. **Athletics Rebate Incentive:** PBG will accrue annually a rebate of **\$0.20 per case (24PK)** on all cases of Product purchased by University for sale at all retail outlets. This rebate incentive will be paid within forty-five (45) days after the end of every Agreement year. Payments will be made to **UCR Athletics.**

F. **Growth Incentive Rebate:** In any Agreement Year in which the University's purchases of bottle and cans exceeds Forty Three Thousand Two Hundred (43,200) cases, PBG will pay the University an additional \$2.00 per case (based on a 24pk case count only) on those cases in excess of the first 43,200 cases AND only on those bottle and can cases purchased directly from PBG by the University for sale at retail outlets at the Facilities.

VIII. VOLUME

The Consideration and Additional Consideration offered to the University under this Agreement is based on annual case volume of 62,800 cases per Agreement Year. PBG will evaluate the annual case volume at the end of each Agreement Year. If, at the end of Agreement Year Three it is determined that the average annual case volume for Agreement Years One through Three is less than 62,800 cases an Agreement Year, PBG shall have the right to renegotiate the amount of the Annual Sponsorship Fees and other fees provided in this Agreement for the remaining Agreement Years in the Term based on the percentage decrease between 62,800 cases and the average annual case volume for Agreement Years One through Three. Rebates payable pursuant to Sections VI.D and E will not be affected by any reduction in the Annual Sponsorship Fees. **Volume reports will be maintained every month on all segments of the business with UCR to ensure proper communication with the Director of Materiel Management.**

IX. EQUIPMENT AND SERVICE.

A. Beverage Dispensing and Other Equipment.

(1) PBG shall, based upon PBG's survey of the Facilities' needs, provide and install all Equipment at the Facilities for the dispensing of Product during the Term. Title to all Equipment shall be with PBG or its affiliates.

(2) During the Term and at no cost to the University, PBG will service and stock, if necessary, (i) the Equipment and (ii) any additional Equipment determined by the parties to be installed at new locations on the Facilities.

(3) The Equipment may not be removed from the Campus without PBG's written consent, and the University agrees not to encumber the Equipment in any manner or permit other equipment to be attached thereto except as authorized by PBG. At the end of the Term, PBG shall have the right to, and shall upon request of the University, remove all Equipment from the Facilities at no expense to the University.

(4) PBG shall be responsible for collecting, for its own account, all cash monies from the Vending Machines and for all related accounting for all cash monies collected therefrom. The University agrees to provide reasonable assistance to PBG in apprehending and prosecuting vandals. PBG shall not be obligated to pay commissions as provided in this Agreement on documented revenue losses resulting from vandalism or theft of product with respect to any Vending Machines on the Facilities.

(5) Twenty-eight (28) Vending Machines in locations specified by the University will also be fitted by PBG with Blackboard magnetic stripe card on-line or chip card off-line readers at PBG's expense. PBG will not be responsible for any transaction fees on the debit card readers affixed to the Vending Machines. The

University shall arrange for the collection of monies from debit card transactions on Vending Machines equipped with debit card readers. The University shall retain title to the debit card readers. On or before the first Monday of each month during the Term, the University and/or its authorized debit card agent shall be responsible for providing a weekly report to PBG, in a form reasonably satisfactory to PBG, detailing the transactions and the dollar amounts grossed during the immediately preceding weekly period through each Vending Machine equipped with a debit card reader. On or before the first Monday of each month during the Term, the University and/or its authorized debit card agent shall remit payment to PBG for the monies collected through debit card readers during the immediately preceding monthly period.

(6) PBG reserves the absolute right to remove any Vending Machine that sells less than two (2) cases of Product per week.

B. Service to Equipment.

Other than routine maintenance, which shall be the responsibility of and completed by University or its designee, PBG or its designated agents shall be responsible for maintaining, repairing and replacing the Equipment. Preventative maintenance of the Equipment shall take place at the Facilities no less than once every six (6) months. PBG shall provide University with a telephone number to request emergency repairs and receive technical assistance related to the Equipment. PBG shall respond to each University request and use reasonable efforts to remedy the related Equipment problem as soon as possible.

X. REMEDIES FOR LOSS OF RIGHTS - TERMINATION.

A. University's Termination Rights. Without prejudice to any other remedy available to University at law or in equity in respect of any event described below, this Agreement may be terminated by University at any time effective fourteen (14) days following written notice to PBG from University if:

(1) PBG fails to make any payment due hereunder, and such default shall continue for thirty (30) days after written notice of such default is received by PBG; or

(2) PBG breaches or fails to perform any other material term, covenant or condition of this Agreement or any representation or warranty shall prove to have been false or misleading in any material respect and PBG fails to cure such breach within forty-five (45) days after written notice of default is delivered to PBG. If such cure cannot reasonably be accomplished within such forty-five (45) day period, this provision shall not apply where PBG shall have, in good faith, commenced such cure and thereafter shall diligently proceed to completion; provided, however, that such cure is completed to the reasonable satisfaction of University within ninety (90) days from the date of PBG's receipt of such written notice of default.

B. PBG's Termination Rights.

Without prejudice to any other remedy available to PBG at law or in equity in respect of any event described below, this Agreement may be terminated in whole or in part by PBG at any time, effective thirty (30) days following written notice to the University if (i) any of the Products are not made available as required in this Agreement by the University, their agents or concessionaires; (ii) any of the rights granted to PBG herein are materially restricted or limited during the Term of this Agreement; or (iii) a final judicial opinion or governmental regulation prohibits the availability of Beverages, whether or not due to a cause beyond the reasonable control of the University, then PBG may give the University written notice of such event and the University shall have a thirty (30) day period within which to cure such breach. If

University fails to cure such breach within a thirty (30) day period, PBG may terminate this Agreement and recover from the University a reimbursement in accordance with Article IX.(D) below.

C. Additional Termination Rights Available to PBG and University.

Without prejudice to any other right or remedy available to either party at law or in equity of any event described below, this Agreement may be terminated by either party if the other party, or any parent of such other party, shall: (1) have an order for relief entered with respect to it, commence a voluntary case or have an involuntary case filed against it under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (and such order or case is not stayed, withdrawn or settled within sixty (60) days thereafter) it is the intent of the parties hereto that the provisions of Section 365(e)(2)(A) of Title 11 of the United States Code, as amended, or any successor statute thereto, be applicable to this Agreement; or (2) file for reorganization, become insolvent or have a receiver or other officer having similar powers over it appointed for its affairs in any court of competent jurisdiction, whether or not with its consent (unless dismissed, bonded or discharged within 60 days thereafter); or (3) admit in writing its inability to pay its debts as such debts become due.

D. Sponsorship Fees in the Event of Termination.

If Pepsi terminates this Agreement pursuant to Article IX.(B), then Pepsi shall be entitled to from University, without prejudice to any other right or remedy available to Pepsi, and University shall pay to Pepsi a reimbursement of any unearned Annual Sponsorship Fee paid by Pepsi to University for the Agreement Year in which such termination occurs. The amount of such reimbursement shall be determined by multiplying the Annual Sponsorship Fee paid in the Agreement Year during which such termination occurs by a fraction, the numerator of which is the number of months remaining in such Agreement Year at the time of such termination and the denominator of which is twelve (12).

XI. TAXES.

PBG shall be responsible only for the payment of taxes on the sales of Products through Vending Machines at the Facilities. PBG shall not be assessed common area maintenance fees, taxes or other charges based on its occupation of the space allocated to Vending Machines.

XII. CONFIDENTIALITY.

Except as may be otherwise required by law or legal process, including California disclosure laws, neither party hereto shall disclose to any third party terms and conditions of this Agreement or any information related thereto.

XIII. REPRESENTATIONS, WARRANTIES AND COVENANTS.

A. Representations, Warranties and Covenants of University. University hereby represents and warrants to PBG as follows:

(1) University has full power and authority to enter into this Agreement and to grant and convey to PBG the rights set forth herein; and

(2) All necessary approvals for the execution, delivery and performance of this Agreement by University have been obtained and this Agreement has been duly executed and delivered by University and constitutes the legal, valid and binding obligation of University enforceable in accordance with its terms, and nothing contained in this Agreement violates, interferes with or infringes upon the rights of any third party; and

(3) The signatory of this Agreement is duly authorized and empowered to bind University to the terms and conditions of this Agreement for the duration of the Term; and

(4) University has complied with all applicable laws, ordinances, codes, rules and regulations relating to its entering into this Agreement and its performance hereunder; and

(5) To the extent that the Team is relocated to a venue which is not within the Complex as its home venue, University agrees that it shall ensure all rights of PBG hereunder shall be extended to such alternate venue as to the Team and any advertising and pouring rights contained herein.

B. Representations and Warranties of PBG. PBG hereby represents and warrants to University as follows:

(1) PBG has full power and authority to enter into and perform this Agreement; and

(2) All necessary approvals for the execution, delivery and performance of this Agreement by PBG have been obtained and this Agreement has been duly executed and delivered by PBG and constitutes the legal, valid and binding obligation of PBG enforceable in accordance with its terms and nothing contained in this Agreement violates, interferes with or infringes upon the rights of any third party; and

(3) The signatory of this Agreement is duly authorized and empowered to bind PBG to the terms and conditions of this Agreement for the duration of the Term; and

(4) PBG has complied with all applicable laws, ordinances, codes, rules and regulations relating to its entering into this Agreement and its performance hereunder.

C. General. Each of the parties hereto agree that (i) the representations, warranties and covenants contained herein shall survive the execution and delivery of this Agreement, and (ii) except as expressly set forth herein, neither party has made, and neither party is relying on, any representation or warranty, express or implied, with respect to the subject matter hereof.

XIV. INDEMNIFICATION.

- A. PBG shall defend, indemnify and hold University, its officers, agents, and employees harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of PBG, its officers, agents, or employees.
- B. University shall defend, indemnify and hold PBG, its officers, agents, and employees harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of University, its officers, agents, or employees.

Insurance

- A. PBG, at its sole cost and expense, shall insure its activities in connection with this Agreement and obtain, keep in force, and maintain insurance as follows:

- (1) Commercial Form General Liability Insurance (contractual liability included) with a limit of not less than \$2,000,000 per occurrence.

If the above insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the effective date of this Agreement.

- (2) Business Automobile Liability for Owned, Scheduled, Non-Owned or Hired Automobiles with a combined single limit of not less than \$1,000,000 per occurrence.
- (3) Workers' Compensation and Employers Liability Insurance in a form and amount covering Contractor's full liability under the Workers'

Compensation Insurance and Safety Act of the State of California as amended from time to time.

It should be expressly understood, however, that the coverage required under the Insurance requirements contained herein shall not in any way limit the liability of PBG.

PBG, upon the execution of this Agreement, shall furnish University with Certificates of Insurance evidencing compliance with all requirements. Certificates shall further provide for thirty (30) days advance written notice to University, of any modification, change, or cancellation of any of the above insurance coverages.

XV. NOTICES.

Unless otherwise specified herein, all notices, requests, demands, consents, and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when hand delivered, upon delivery when sent by express mail, courier, overnight mail or other recognized overnight or next day delivery service, or three (3) days following the date mailed when sent by registered or certified United States mail, postage prepaid, return receipt requested, or when deposited with a public telegraph company for immediate transmittal, charges prepaid, or by telecopier, with a confirmation copy sent by recognized overnight courier, next day delivery, addressed as follows:

If to PBG:

Bottling Group, LLC d/b/a The PBG Bottling Group
6659 Sycamore Canyon Blvd
Riverside, Ca 92507
Attn: Market Unit Manager

With a copy to (which shall not constitute notice):

The PBG Bottling Group
One PBG Way
Somers, NY 10589
Attn: Legal Department

If to University:

University of California, Riverside
3401 Watkins Ave
Riverside, Ca 93507
Attn: Russell Lewis- Director of Materiel Management

XVI. ASSIGNMENT.

This Agreement or any part hereof or interest herein shall not be assigned or otherwise transferred by either party without the prior written consent of the other party nor shall the same be assignable by operation of law, without the prior written consent of the other party; provided however, that PBG may assign and transfer this Agreement (in whole and not in part) to an Affiliate without the consent of University hereto; provided, however, that, (x) such Affiliate is capable of fully performing all obligations of the assignor hereunder and (y) such Affiliate agrees, under a separate agreement acceptable to the other party and signed by such Affiliate, to perform all of the obligations and assume all liabilities of the assignor hereunder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. University represents and warrants to PBG that any change in the Food Service Provider at the Facilities shall not affect PBG's rights or obligations hereunder.

XVII. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to conflicts of laws principles. Any legal proceeding of any nature whatsoever brought by either party against the other to enforce any right or obligation under this Agreement, or arising out of any matter pertaining to this Agreement, shall be submitted for trial, without jury, before the Courts of the State of California, or the United States District Court having jurisdiction in Riverside County, California.

XVIII. FORCE MAJEURE.

If the performance by either party hereto of its respective nonmonetary obligations under this Agreement is delayed or prevented in whole or in part by acts of God, fire, floods, storms, explosions, accidents, epidemics, war, civil disorder, strikes or other labor difficulties, or any law, rule, regulation, order or other action adopted or taken by any federal, state or local government authority, or any other cause not reasonably within such party's control, whether or not specifically mentioned herein, such party shall be excused, discharged and released of performance only to the extent such performance or obligation is so delayed or prevented by such occurrence without liability of any kind. Nothing contained herein shall be construed as requiring either party hereto to accede to any demands of, or to settle any disputes with, labor or labor unions, suppliers or other parties that such party considers unreasonable.

XIX. RELEASE, DISCHARGE OR WAIVER.

No release, discharge or waiver of any provision hereof shall be enforceable against or binding upon either party hereto unless in writing and executed by both parties hereto. Neither the failure to insist upon strict performance of any of the agreements, terms, covenants or conditions hereof, nor the acceptance of monies due hereunder with knowledge of a breach of this Agreement, shall be deemed a waiver of any rights or remedies that either party hereto may have or a waiver of any subsequent breach or default in any of such agreements, terms, covenants or conditions.

XX. PRIOR NEGOTIATIONS; ENTIRE AGREEMENT.

This Agreement and the exhibits attached hereto, set forth the entire understanding between the parties in connection with respect to the subject matter hereof, and no statement or inducement with respect to the subject matter by either party hereto or by any agent or representative of either party hereto which is not contained in this Agreement shall be valid or binding among the parties. This provision shall not be read to invalidate or amend any other written agreements between PBG and/or any of its Affiliates and any Affiliate of University.

XXI. RELATIONSHIP OF THE PARTIES.

The parties are independent contractors with respect to each other. Nothing contained in this Agreement will be deemed or construed as creating a joint venture partnership between the parties.

XXII. EFFECT OF HEADINGS.

The headings and subheadings of the sections of this Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the agreements, terms, covenants and conditions of this Agreement in any manner.

XXIII. CONSTRUCTION.

This Agreement has been fully reviewed and negotiated by the parties hereto and their respective legal counsel. Accordingly, in interpreting this Agreement, no weight shall be placed upon which party hereto or its counsel drafted the provision being interpreted. Wherever this Agreement provides for one party hereto to provide authorization, agreement, approval or consent to another party hereto, or provides for mutual agreement of the parties hereto, such authorization, approval, agreement or consent shall, except as may otherwise be specified herein, be given in such party's reasonable judgment and reasonable discretion, and shall be in writing unless otherwise mutually agreed by the parties.

XXIV. SEVERABILITY.

If any term or provision of this Agreement shall be found to be void or contrary to law, such term or provision shall, but only to the extent necessary to bring this Agreement within the requirements of law, be deemed to be severable from the other terms and provisions hereof, and the remainder of this Agreement shall be given effect as if the parties had not included the severed term herein.

XXV. AMENDMENTS.

No provision of this Agreement may be modified, waived or amended except by a written instrument duly executed by each of the parties hereto. Any such modifications, waivers or amendments shall not require additional consideration to be effective.

XXVI. COUNTERPARTS.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

XXVII. FURTHER ASSURANCES.

Each party hereto shall execute any and all further documents or instruments and take all necessary action that either party hereto may deem reasonably necessary to carry out the proper purposes of this Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly entered into as of the date above written.

University

Bottling Group, LLC d/b/a
The PBG Bottling Group

By: _____

Name: Russell A. Lewis

Title: Director of Materiel Management

Date: _____

9/12/08

By: _____

Name: _____

Title: _____

Date: _____

CLIFF ROBERTSON

KEY ACCOUNT MANAGER

9-12-08

Exhibit A
Current pricing for Postmix Products and Packaged Products

Campus Store Retail Invoice Pricing

Package	Price *	Rebate**	Case/Pack	Unit Cost after Rebate
CSD 20oz	\$18.50	\$1.00	24	\$.73
CSD 12oz	\$ 8.35	\$1.00	24	\$.30
CSD 1 Ltr	\$17.95	\$1.00	15	\$1.13
Aquafina 20oz	\$12.50	\$1.00	24	\$.48
Flavor Splash 20oz	\$13.30	\$1.00	24	\$.51
Aquafina 24oz	\$15.00	\$1.00	24	\$.58
Aquafina 1 Ltr	\$11.25	\$1.00	15	\$.68
Aquafina 1.5Ltr	\$12.05	\$1.00	12	\$.92
Tropicana 20oz	\$18.50	\$1.00	24	\$.73
Lipton Tea 16oz	\$12.75	\$.50	12	\$1.02
SoBe Life Water 20oz	\$12.00	\$.50	12	\$.92
SoBe 20oz	\$13.50	\$.50	12	\$1.04
SoBe No Fear 16oz	\$21.00	\$.50	12	\$1.70
Dole Juices 15.2oz	\$12.75	\$.50	12	\$1.02
Gatorade 20oz	\$20.85	\$1.00	24	\$.83
Aquafina Alive 20oz	\$16.00	\$1.00	24	\$.62
Propel 20oz	\$22.50	\$1.00	24	\$.89
Frappuccino 9.5oz	\$15.75	\$.50	12	\$1.27
Frappuccino 13.7oz	\$19.60	\$.50	12	\$1.59
Doubleshot 6.5oz	\$18.00	\$.50	12	\$1.45
Energy Drinks 16oz	\$21.00	\$.50	12	\$1.70

* Pricing Firm thru Year 3 of contract, Invoice price listed. ** Rebate paid annually at end of each contract year from case 1.

Campus Fountain Invoice Pricing *



Product	Price/gallon**	Case/Pack	Unit Cost	Total Average Fountain cost by cup size***
Carbonated Soft Drinks	\$ 6.40	5 gallon BIB		\$0.39****
Tropicana Flavors	\$ 6.40	5 gallon BIB		\$0.37****
Dr. Pepper	\$ 6.40	5 gallon BIB		\$0.37****
Lipton Rasp/Peach Tea	\$ 6.40	5 gallon BIB		\$0.17***
SoBe Lean Crn/Grapefruit	\$12.19	3 gallon BIB		\$0.21***
Gatorade FTN	\$18.19	3 gallon BIB		\$0.23***
Juice Tyme 100% OJ/POG	\$20.05	3 gallons		\$0.34***
Juice Tyme 100% Apple	\$19.00	3 gallons		\$0.43***
Juice Tyme Cranberry	\$19.00	3 gallons		
16oz Cups	\$38.49	1,000	\$.04	
22oz Cups	\$52.09	1,000	\$.05	
24oz Cups	\$54.05	1,000	\$.05	
32oz Cups	\$46.31	480	\$.10	
44oz Cups	\$49.78	360	\$.14	
16/22oz Lids	\$32.45	2,000	\$.016	
24oz Lids	\$32.45	2,000	\$.016	
32oz Lids	\$32.45	960	\$.04	
44oz Lids	\$37.04	960	\$.03	
Co2 20lb	\$00.00	20lb	\$.00	
Co2 50lb	\$00.00	50lb	\$.00	

**Pricing firm thru year 3 of contract.

Cup cost is including: Cup, Lid, Syrup & Co2 *** Juice 16oz Cup, Lid & Syrup

Exhibit B
Vend Mech Rate Structure



U.C. Riverside
Exhibit B

[illegible]

PEPSI AGREEMENT ADDENDUM

On the date indicated below, Pepsi-Cola Co. (Pepsi), in their current contracted agreement with the University of California, Riverside (UCR) and the University of California, Riverside Department of Intercollegiate Athletics, hereby agree that four (4) courtside seats will be made available to the management of Pepsi for UCR Men's and Women's Basketball home games. The seats will be located at a padded courtside table adjacent to "Scholarship Row" and in front of the student seating bleachers. This agreement will begin immediately upon the completed signature of this Addendum.

Russ Lewis, Director Materiel Management/Contracts

Date

Stan Morrison, Director of Intercollegiate Athletics

Date

Alex Orr, Pepsi-Cola Co.

Date